

ooo), divided into shares of 1,000 francs each, and giving the bank its franchise for twenty-five years. The bank was forbidden to borrow or make loans upon mortgages, or upon deposits of industrial stock, and was forbidden to take part directly or indirectly in industrial enterprises. The administration of the bank was intrusted to a governor appointed by the King for five years and six directors chosen by the shareholders, and a government commissioner was charged with the supervision of discounts and the issuing of bills.

The National Bank found itself face to face with strong competitors in the two older banking institutions, but gradually gained in strength and credit tip to 1870, when it was subjected to one of the severest tests ever put upon a banking institution. It was not distrust of the bank, but the political events accompanying the Franco-Prussian War which caused the stress. The demand for banking accommodation was greatly increased by the necessity of furnishing supplies for the hostile armies and many business transactions were transferred to Belgium which would ordinarily have been carried on in France or Germany. This was an evidence of confidence in the bank which would not have been without its benefits if the institution had been prepared for so sudden an enlargement of its transactions, but this indication of confidence from without was offset by a degree of distrust at home which led to the presentation of large quantities of bank bills for redemption in coin. The government added to the dangers of the situation by a policy which tended to embarrass the bank and to increase the uneasiness of the public.

The administration feared that a declaration of war between France and Germany would lead to the violation of the neutrality of Belgium, and directed the National Bank to take measures to transfer the metallic reserve, representing the balance due the Treasury, to the port of Antwerp. The bank was informed on July i3th that this transfer must be effected without delay. An attempt was made to carry out the movement secretly, but the news became public that the metallic reserve had been removed from Brussels and